

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

	:	Chapter 11
In re:	:	
	:	Case No. 19-40426
CFO MANAGEMENT HOLDINGS,	:	
LLC, <i>et al.</i> , ¹	:	(Joint Administration Requested)
	:	
Debtors.	:	Re: Doc. 3

**LIMITED OBJECTION OF CPIF LENDING, LLC
TO MOTION OF DEBTORS FOR AN ORDER DIRECTING
JOINT ADMINISTRATION PURSUANT TO BANKRUPTCY RULE 1015(b)**

CPIF Lending, LLC (“CPIF”), by and through its undersigned counsel, hereby objects (this “Objection”) to the *Motion of Debtors for an Order Directing Joint Administration Pursuant to Bankruptcy Rule 1015(b)* [Doc. No. 3] (the “Motion”). In support of its Objection, CPIF respectfully states as follows:

1. On February 17, 2019 (the “Petition Date”), the above-captioned debtors and debtors in possession (collectively, the “Debtors”) each commenced a case under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”).

2. Prior to the Petition Date, CPIF provided a \$32 million loan (the “Loan”) to debtors Frisco Wade Crossing Development Partners, LLC and McKinney Executive Suites at Crescent Parc Development Partners, LLC (together, the “Borrowers”). The Loan is secured by land owned

¹ Carter Family Office, LLC, 5899 Preston Road, Ste. 203, Frisco, TX 75034, EIN# XX-XXX1652 Case No. 19-40432; CFO Management Holdings, LLC, 5899 Preston Road, Ste. 203, Frisco, TX 75034, EIN# XX-XXX6987, Case No. 19-40426; Christian Custom Homes, LLC, 5899 Preston Road, Ste. 203, Frisco, TX 75034, EIN# XX-XXX4648, Case No. 19-40431; Double Droptine Ranch, LLC, 5899 Preston Road, Ste. 203, Frisco, TX 75034, EIN# XX-XXX7134, Case No. 19-40429; Frisco Wade Crossing Development Partners, LLC, 5899 Preston Road, Ste. 203, Frisco, TX 75034, EIN# XX-XXX4000, Case No. 19-40427; Kingswood Development Partners, LLC, 5899 Preston Road, Ste. 203, Frisco, TX 75034, EIN# XX-XXX1929, Case No. 19-40434; McKinney Executive Suites at Crescent Parc Development Partners, LLC, 5899 Preston Road, Ste. 203, Frisco, TX 75034, EIN# XX XXX2042, Case No. 19-40428; North-Forty Development LLC, 5899 Preston Road, Ste. 203, Frisco, TX 75034, EIN# XX-XXX5532, Case No. 19-40430; and West Main Station Development, LLC, 5899 Preston Road, Ste. 203, Frisco, TX 75034, EIN# XX-XXX7210, Case No. 19-40433.

by the Borrowers and the improvements thereon. As of the Petition Date, the Borrowers were in default of their obligations under the Loan and owed CPIF not less than \$24,750,951.75. These bankruptcy cases were filed just two days after CPIF sought the appointment of a receiver in the United States District Court for the Eastern District of Texas.

3. CPIF does not oppose the joint administration of the Debtors' chapter 11 cases for efficiency and procedural purposes. However, in light of the number of Debtors, the different stakeholders with respect to each of them, the different assets and liabilities of each of them, and the fact that only two of the Debtors are Borrowers under CPIF's Loan, the Debtors should be required to designate in the caption which of the Debtors a particular request for relief pertains to, in order to avoid confusion and the possibility of inadvertent substantive consolidation.

4. Put differently, CPIF opposes joint administration unless it is clear from the caption which of the Debtors a particular request for relief pertains to. CPIF suggests that the third "Ordered" paragraph in the proposed order submitted as Exhibit B to the Motion be revised as follows:

ORDERED that the caption of the cases shall read as follows:

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

In re:

CFO MANAGEMENT HOLDINGS, LLC, *et al.*,¹

Debtors.

- Affects Carter Family Office, LLC
- Affects CFO Management Holdings, LLC
- Affects Christian Custom Homes, LLC
- Affects Double Droptine Ranch, LLC
- Affects Frisco Wade Crossing Development Partners, LLC
- Affects Kingswood Development Partners, LLC
- Affects McKinney Executive Suites at Crescent Parc Development Partners, LLC
- Affects North-Forty Development LLC
- Affects West Main Station Development, LLC
- Affects all Debtors

* All papers shall be filed in Case No. 19-40426

5. In addition, as the relief requested in the Motion includes an authorization for the Debtors to file “one plan and disclosure statement . . . for all of the Chapter 11 Cases,” the proposed order should make clear that the Debtors’ joint administration shall not enable a joint

¹ Carter Family Office, LLC, 5899 Preston Road, Ste. 203, Frisco, TX 75034, EIN# XX-XXX1652 Case No. 19-40432; CFO Management Holdings, LLC, 5899 Preston Road, Ste. 203, Frisco, TX 75034, EIN# XX-XXX6987, Case No. 19-40426; Christian Custom Homes, LLC, 5899 Preston Road, Ste. 203, Frisco, TX 75034, EIN# XX-XXX4648, Case No. 19-40431; Double Droptine Ranch, LLC, 5899 Preston Road, Ste. 203, Frisco, TX 75034, EIN# XX-XXX7134, Case No. 19-40429; Frisco Wade Crossing Development Partners, LLC, 5899 Preston Road, Ste. 203, Frisco, TX 75034, EIN# XX-XXX4000, Case No. 19-40427; Kingswood Development Partners, LLC, 5899 Preston Road, Ste. 203, Frisco, TX 75034, EIN# XX-XXX1929, Case No. 19-40434; McKinney Executive Suites at Crescent Parc Development Partners, LLC, 5899 Preston Road, Ste. 203, Frisco, TX 75034, EIN# XX XXX2042, Case No. 19-40428; North-Forty Development LLC, 5899 Preston Road, Ste. 203, Frisco, TX 75034, EIN# XX-XXX5532, Case No. 19-40430; and West Main Station Development, LLC, 5899 Preston Road, Ste. 203, Frisco, TX 75034, EIN# XX-XXX7210, Case No. 19-40433.

chapter 11 plan for all Debtors to satisfy section 1129(a)(10) of the Bankruptcy Code with an impaired accepting class for only one debtor. In other words, CPIF opposes joint administration unless it is clear that joint administration shall not convert the requirement of one impaired accepting class per debtor into a requirement of only one impaired accepting class per joint plan.

6. Specifically, the proposed order submitted as Exhibit B to the Motion should include the following paragraph: “This Order shall not, for purposes of confirmation of a chapter 11 plan, allow the plan proponent to satisfy the requirement of 11 U.S.C. § 1129(a)(10) with less than one impaired accepting class per debtor in a joint plan for more than one debtor.”

7. CPIF submits that the inclusion in the order of the above-described proposed language is in the best interest of all stakeholders.

WHEREFORE, CPIF respectfully requests that the Court (a) deny the Motion, or grant it only if the order is revised as stated herein, and (b) grant CPIF such other and further relief as is just and proper.

Dated: February 22, 2019

Respectfully submitted,

/s/ Jason B. Binford

Marcus A. Helt (TX 24052187)

Jason B. Binford (TX 24045499)

FOLEY GARDERE

FOLEY & LARDNER LLP

2021 McKinney Avenue, Suite 1600

Dallas, TX 75201

Telephone: 214.999.3000

Facsimile: 214.999.4667

mhelt@foley.com

jbinford@foley.com

-and-

Michael J. Barrie (DE # 4684), *pro hac vice*
application pending

Jennifer R. Hoover (DE # 5111), *pro hac vice*
application pending

Kevin M. Capuzzi (DE # 5462)

BENESCH, FRIEDLANDER,

COPLAN & ARONOFF LLP

222 Delaware Avenue, Suite 801

Wilmington, Delaware 19801

Telephone: 302.442.7010

Facsimile: 302.442.7012

mbarrie@beneschlaw.com

jhoover@beneschlaw.com

kcapuzzi@beneschlaw.com

Counsel to CPIF Lending, LLC

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on February 22, 2019, a true and correct copy of the foregoing Objection was served electronically by the Court's electronic filing notification system.

/s/ Jason B. Binford

Jason B. Binford